

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 8/12/2014	(3) CONTACT/PHONE Jeff Werst, Design Division Manager (805) 781-4480	
(4) SUBJECT Submittal of bid opening report for FY 2014-15 Chip Seal, Various Roads, San Luis Obispo County, to award the subject contract to Telfer Highway Technologies, the lowest responsible bidder, in the amount of \$1,134,791. Districts 1, 2, 3 and 5.			
(5) RECOMMENDED ACTION In accordance with applicable State Law, it is recommended that the Board: <ol style="list-style-type: none"> 1. Award the subject contract (no. 245R12B618) to Telfer Highway Technologies, the lowest responsible bidder, at \$1,134,791; and 2. Authorize the Public Works Director or his designee to approve change orders for a contingency amount up to \$113,500 for a final total construction amount of \$1,248,291. 			
(6) FUNDING SOURCE(S) Road Fund, Pavement Management Program, Special District - Salinas Dam	(7) CURRENT YEAR FINANCIAL IMPACT \$1,486,607.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001436		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 6/3/14; #3	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 1 District 2 District 3 District 5			

Reference: 14AUG12-C-6

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Jeff Werst, Design Division Manager
Don Spagnolo, Project Manager

VIA: Dave Flynn, Interim Director of Public Works

DATE: 8/12/2014

SUBJECT: Submittal of bid opening report for FY 2014-15 Chip Seal, Various Roads, San Luis Obispo County, to award the subject contract to Telfer Highway Technologies, the lowest responsible bidder, in the amount of \$1,134,791. Districts 1, 2, 3 and 5.

RECOMMENDATION

In accordance with applicable State Law, it is recommended that the Board:

1. Award the subject contract (no. 245R12B618) to Telfer Highway Technologies, the lowest responsible bidder, at \$1,134,791; and
2. Authorize the Public Works Director or his designee to approve change orders for a contingency amount up to \$113,500 for a final total construction amount of \$1,248,291.

DISCUSSION

In accordance with direction from your Board, bids for the subject contract were opened on Thursday, July 10, 2014.

Six bids were received. They are as follows:

Engineer's Estimate	\$854,730.00
Telfer Highway Technologies	\$1,134,791.00
Graham Contractors, Inc.	1,142,025.00
Viborg Sand and Gravel, Inc.	1,213,396.59
Intermountain Slurry Seal, Inc.	1,256,374.98
American Pavement Systems, Inc.	1,356,578.75
VSS International, Inc.	1,450,500.00

The low bid came in 33% above the Engineer's Estimate. In reviewing the bids, it appears that the average unit prices for Screenings (Medium Fine) are nearly double the prices assumed in the Engineer's Estimate and even higher than the bid prices received for the Chip Seal contract last year. In consulting with the local aggregate plants where the screenings are produced, they are currently engaged in producing other types of aggregates to keep up with demand for the mid-summer construction season, therefore, prices for screenings are higher than last year. Nevertheless, we view the bids as a reasonable cost to proceed with this road preventative maintenance work. We have reviewed the submittal from Telfer Highway Technologies and verified that they are the lowest responsive, responsible bidder.

Project Background Information

This chip seal contract is part of the Department of Public Works Annual Maintenance Program which provides for the resurfacing of existing paved roads to extend the service life of the pavement. This work is necessary to halt further deterioration of these paved roads, and improve safety and operation. This contract provides for a chip seal on 42 miles of various County maintained asphalt concrete roadways as shown on the attached vicinity maps. With the exception of site No. 6 all the road segments selected for resurfacing are selected through the County's Pavement Management System and on-site inspection. Site No. 6 provides access to the Salinas Dam and was added to this contract by the Utilities Division for cost economy.

Chip sealing is a process that includes the application of a binder which is an asphalt emulsion that is modified with polymers to which a single layer of 5/16" aggregate is applied. The aggregate size has proven in past County projects to imbed firmly into the binder, providing a smooth wearing surface for all vehicles and bicycles and extends the life of the pavement.

The Pavement Management Plan maintenance strategy will be for the County crews to prepare the road surface and for contractors to do the chip seal work which would make the most efficient use of County Crews and maximizes the overall miles of roadway treated each year.

OTHER AGENCY INVOLVEMENT/IMPACT

Various utility companies have been contacted in consideration of project impacts to their facilities. The County Clerk formally processes the bid openings.

County Counsel has approved the contract as to legal form and effect.

FINANCIAL CONSIDERATIONS

This is a multi-year Pavement Management Program. The total project costs are estimated at \$1,486,607. Funding for the project will come from the Road Fund - Pavement Management Program FY 2014-15 in the amount of \$1,445,524 and Special District – Salinas Dam FY 2014-15 in the amount of \$41,083. There is sufficient funding available in both funding sources to cover the increased costs estimated for construction. No budget adjustment is necessary.

Please see Exhibit "A" for an estimated cost breakdown of the project.

RESULTS

The immediate result of the recommended action will be the construction of this project, which will improve the road for the safety of the motoring public. This, in turn, will result in a safer, more livable community.

File: Contract No. 245R12B618

c: Resident Engineer
Construction Engineer
Telfer Highway Technologies, Contractor

Reference: 14AUG12-C-6

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ATTACHMENTS

1. Vicinity Map
2. Exhibit A - Project Cost Estimates